



Thursday, June 2, 2022
Private Markets Committee Meeting

Call to Order - 9:00 A.M.

**The Committee meeting will be conducted via Webex video conference.
Members of the public will be provided access via teleconference.**

1. Call to Order (9:00a)

2. Adoption of the Minutes (9:00-9:05)

A. Adoption of the April 7, 2022, Minutes

3. Tangible Assets Investment Consultant Recommendation (9:05-9:25)

A. Tangible Assets Investment Consultant Recommendation

4. Policy Revisions (9:25-9:40)

A. Private Equity Investment Program Policy 2.10.700 Revisions

In Workflow

Step: 1 of 6

Submitted by: Ashana Wenzel

Waiting for: Aaron Daley

5. Closing Log (9:40-9:45)

A. Closing Log

6. Other Items (9:45-9:50)

7. Adjourn (9:50a)

**WASHINGTON STATE INVESTMENT BOARD
Private Markets Committee Meeting Minutes
June 2, 2022**

The Private Markets Committee met in open public session via Webex video conferencing, with dial-in access to the public.

Members Present: Joel Sacks, Private Markets Committee Chair
Tracy Guerin
Ada Healey
Judy Kuschel
Yona Makowski
Senator Mark Mullet
David Nierenberg

Other Board Members Present: Greg Markley
Liz Lewis

Members Absent:

Also Present: Allyson Tucker, Chief Executive Officer
Chris Hanak, Chief Investment Officer
Diana Will, Senior Investment Officer – Tangible Assets
Dorota Czub, Assistant Senior Investment Officer – Tangible Assets
Fabrizio Natale, Senior Investment Officer – Private Equity
Aaron Daley, Assistant Senior Investment Officer – Private Equity
Ashana Wenzel, Administrative Assistant

Tor Jernudd, Assistant Attorney General
Jesse Yoder, Assistant Attorney General

CALL TO ORDER

Chair Sacks called the meeting to order at 9:05 a.m. and took roll call.

ADOPTION OF THE APRIL 7, 2022, MINUTES

**Chair Sacks moved to adopt the April 7, 2022, minutes.
Senator Mullet seconded, and the motion carried unanimously.**

TANGIBLE ASSETS INVESTMENT CONSULTANT RECOMMENDATION

Ms. Czub presented staff's recommendation to include Aksia LLC, Callan LLC, Hamilton Lane Advisors, L.L.C., Meketa Investment Group, Inc., and Mercer LLC in the Tangible Assets consultant pool. She explained that the Tangible Assets team does not engage a single, retainer-based consultant that oversees the investment program, but rather utilizes a consultant pool on a per-project basis to provide independent investment recommendations and research reports. This approach gives access to differentiated expertise and allows the Tangible Assets team to engage with a consultant that has the most knowledge in a specific area. She discussed the impetus for the opening of the procurement to add to the pool at this time, which is the expiration of four of the six current consultant contracts on June 30, 2022, and

the opportunity to streamline the process in the future by having all consultant contracts on the same timeline. Ms. Czub discussed the procurement process, the qualifications and requirements for consulting firms to participate in the procurement, the results of the search, and the review and decision-making process of selecting the final recommended consulting firms.

Discussion ensued regarding the use of consultants, procurement responses received, and the process used by the Tangible Assets team when selecting a consultant from the pool for a particular recommendation.

Chair Sacks moved that the Private Markets Committee recommend the Board approve the inclusion of Aksia LLC, Callan LLC, Hamilton Lane Advisors, L.L.C., Meketa Investment Group, Inc., and Mercer LLC in the Tangible Assets consultant pool. Ms. Makowski seconded, and the motion carried unanimously.

PRIVATE EQUITY INVESTMENT PROGRAM POLICY 2.10.700 REVISIONS

Mr. Daley stated in December 2021, as part of the 2022 Private Equity Annual Plan, staff shared an overview of the private equity secondary market that focused on limited partner (LP) secondary transactions. He provided further details on general partner-(GP) led secondary transactions and introduced proposed policy revisions that will enable staff to participate efficiently in both types of secondary transactions on an opportunistic basis. Mr. Daley noted the differences between LP secondary transactions and GP-led secondary transactions, and he discussed GP-led secondary transaction activity in the total secondary market, types of GP-led secondary transactions, high-level statistics for 2021 secondary transactions, a typical term sheet for a continuation fund, and the mechanics of a continuation fund. Mr. Daley explained that the substantive policy revisions include clarification that GP-led secondaries, particularly continuation funds, fall under the policy; a modified definition of invested amount to exclude rollover investments; removing involvement of the private equity consultant; and revising investment limits from a specific dollar amount to a percentage based on approved annual plans.

Discussion ensued regarding the reason for removing the language referring to existing limited partnerships, staff delegated authority in relation to continuation funds, commitment limits set forth in the policy, and potential future policy revisions to provide staff with the flexibility to take advantage of investment opportunities that may arise.

Chair Sacks moved that the Private Markets Committee recommend the Board approve the proposed revisions to the Private Equity Program Policy 2.10.700. Ms. Guerin seconded, and the motion carried unanimously.

PRIVATE MARKETS CLOSING LOG

The Private Markets Closing Log was presented for informational purposes.

OTHER ITEMS

Ms. Tucker reminded the Committee to complete the survey sent out in connection with the upcoming Board strategic planning meeting.

There were no other items to come before the Committee, and the meeting adjourned at 9:55 a.m.